

PYX Resources' Operations Update FY 2021 Strong Fundamentals to Accelerate Growth

HIGHLIGHTS

- Premium zircon prices reached their highest point in December at US\$2,465 per tonne.
- YoY premium zircon production growth of 33% and sales volume growth of 13% in Q4.
- Order book and demand increased due to growing lack of premium zircon supply and low inventories.
- Acquisition of a 2nd tenement (Tisma) boosting PYX's contained zircon resources by 75%.
- Completed a fundraise of AU\$11.2m (£6.1m) in June 2021.
- Dual listed on the Main Market of the London Stock Exchange.
- 33% increase in production capacity at Mandiri's Minerals Separation Plant, allowing for future production of rutile, leucoxene and ilmenite.
- Started supplying fused zirconia industry for high tech applications.
- Vaccinated 100% of its employees against Covid-19.

PYX Resources Ltd (PYX or the Company) (NSX: PYX | LSE: PYX) has performed strongly in the fourth quarter of the year due to a boost in premium zircon production, sales volume growth, and ongoing price increases. In Q4 2021, PYX produced 2,192t and sold 2,105t of premium zircon, resulting in a year-on-year production increase of 33% and 13% sales rise, respectively. Zircon sales for the twelve-month period to 31 December increased by 2% to 6,855t and production volumes increased 10% to 7,233t. The Company also kept a tight control over finished goods inventory.

The year ended on a very positive note, with December's production achieving a step-changing 1,219t, representing a very solid production performance overall with a 124% increase in monthly output versus December 2020. This was due to higher feed of heavy mineral concentrate, in combination with the expanded processing capacity during the reporting period. In addition, PYX has continued to focus on its increasing productivity programs at the Mineral Separation Plant (MSP), successfully navigating through the problems facing operations in 2021, which saw extreme weather conditions and a reinvigorated pandemic.

Customer demand continued to increase, showing particular interest in PYX's premium zircon due to its low aluminium oxide (Al₂O₃) of under 0.2%. In addition, the uranium + thorium content of PYX's zircon is less than 500ppm. Through the strategy of market diversification, PYX was able to mitigate disruptions in specific locations and markets. During the period, PYX grew its customer base by 71% - adding Brazil into its country mix. The Company further decreased the top 3 customers' share of total sales volume from 61% in 2020 to 52% in 2021, achieved by increasing the number of customers in China.

Despite the US-China trade conflict, the Australia-China trade war, the impact of the COVID-19 pandemic, and related global supply chain disruptions, the mineral sands market showed resilience and rebounded strongly since the start of the pandemic - resulting in substantial price increases across both contract and spot markets. During the year PYX announced four premium zircon price increases - triggered by increased demand, lack of supply and low inventories. In December the average premium zircon pricing reached US\$2,465/t, 87% higher than at the end of 2020.

Currently, governments have set the year 2050 as the goal for Net-Zero emissions and the rollout of various technologies essential to the energy transition including solar cells, nuclear energy and catalysis, all require zircon in their manufacture. The Australian Government classes zirconium as a crucial mineral vital for the economic well-being of the world's major and emerging economies. As the world moves toward decarbonisation, the demand for zircon is expected to continue to increase.

Following the acquisition of Tisma at the beginning of the year, PYX became the 2nd largest publicly traded producing mineral sands company by zircon resources, globally. In June, the Company completed a successful placement raising AU\$11.2m/£6.1m (gross of expenses), with the goal to accelerate growth, starting with Mandiri's Minerals Separation Plant (MSP) increasing its capacity four-fold to 24,000 tpa, allowing for future production of rutile, leucoxene, and ilmenite.

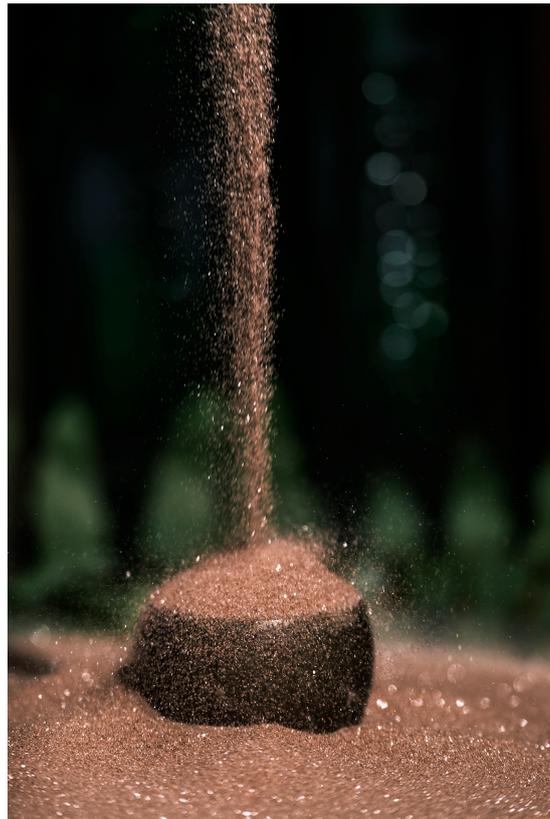
In November, PYX successfully dual listed on the Main Market of the London Stock Exchange, which was an ideal time given the buoyant pricing cycle premium zircon is currently experiencing. The LSE is a leading destination for natural resources companies and has a strong network of brokers, analysts, and institutional investors with a deep knowledge of the global mineral sands market. Accordingly, the LSE Dual Listing has provided a platform to broaden our investor base to include institutional and other investors, as well provide as access to a highly liquid market.

Commenting on the Company's achievements in FY21, PYX Resources' Chairman and Chief Executive Officer, Oliver B. Hasler, said: *"I am delighted with our achievements during 2021. The mineral sands industry is currently experiencing a strong upcycle, and market conditions are now ideal for the implementation of the Company's growth strategy."*

"2021 was a truly momentous year for PYX Resources and with our ambitious expansion plans for 2022, I look forward to delivering on the next phase of our growth trajectory."

During 2021 PYX continued with its sustainability program based on 5 pillars: People, Planet, Prosperity, Peace and Partnership. During 2021, PYX realised projects on quality education, clean water and sanitation, viable employment and building partnerships to furthering these goals. PYX's total recordable injury frequency rate since January 24 2020, is zero. Sadly, it reported some COVID-19 cases amongst its employees. PYX's staff were all cared for during their recovery from the illness and the Company reported no COVID-19 fatalities. In partnership with the local health authorities, PYX took the initiative in October 2021 of leading a vaccination campaign to protect all staff employed at all levels of the Company, including within the office, factory and mine in Kalimantan. 100% of PYX employees have received their second dose of the COVID-19 vaccine.

22 February 2022



Premium Zircon

***** ENDS *****

For more information:

ir@pyxresources.com

Tel.: +61 2 8823 3132

This announcement is authorised for release by Oliver B. Hasler, Chairman and Chief Executive Officer.

About PYX Resources

PYX Resources Limited (NSX: PYX | LSE: PYX) is a producer of premium zircon dual listed on the National Stock Exchange of Australia and on the Main Market of the London Stock Exchange. PYX's key deposits, Mandiri and Tisma, are large-scale, near-surface open pit deposits both located in the alluvium-rich region of Central Kalimantan, Indonesia. PYX, whose Mandiri deposit has been in production since 2015, is the 2nd largest publicly traded producing mineral sands company by zircon resources globally. Determined to mine responsibly and invest in the wider communities where we operate, PYX is committed to fully developing its Mandiri and Tisma deposits, with the vision to consolidate the mineral sands resources in Kalimantan and explore and acquire mineral sands assets in Asia and beyond.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Announcement contains forward-looking statements and forward-looking information within the meaning of applicable Australian and UK securities laws, which are based on expectations, estimates and projections as of the date of this Announcement.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Indonesia and Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this Announcement is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking

information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this Announcement.

Compliance Statement

The Mandiri mineral sands deposit hosts a 6 Mt Inferred JORC Resource of zircon. The Company originally announced this resource in its Prospectus released on 20 February 2020 and confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus. All material assumptions and technical parameters disclosed in the Prospectus that underpin the estimates continue to apply and have not materially changed.

The Tisma mineral sands deposit hosts a 4.5 Mt Inferred JORC Resource of zircon. The Company originally announced this resource in its Announcement “PYX Resources Limited Agrees to Acquire Tisma Development (HK) Limited, a World-Class, Fully Licensed Mineral Sands Deposit” on NSX on 13 January 2021 and confirms that it is not aware of any new information or data that materially affects the information included in the Announcement. All material assumptions and technical parameters disclosed in the Announcement that underpin the estimates continue to apply and have not materially changed.

Together the Mandiri and Tisma mineral sand deposits total 10.5 Mt of contained zircon within a total of 263.5 Mt of heavy mineral sands.